DISCUSSION SHEET

Employees' Retirement Fund
Board of Trustees Meeting

Tuesday, September 10th, 2019

Issue: BlackRock Financial Management Guideline Change

Attachments: Redlined BlackRock High Yield Fixed Income Guidelines

Discussion: BlackRock has requested clarification around the maximum allocation to a single issuer. The maximum allocation to a single issuer is 3%.

Additionally, BlackRock has requested two changes in Manager guidelines:

1) To invest in bank loans and other floating rate securities up to a maximum of 14% of the market value of the portfolio.
2) To add a 10% of the market value of the portfolio limit for derivatives to mitigate risk within the portfolio.

Recommendation: Suggested motion for the approval is as follows: Move to approve the requested Manager guideline changes as noted and authorize the Board Chair to sign.